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TO RUEHC/SECSTATE WASHDC IMMEDIATE 2664
INFO RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY
RUCNNSG/NUCLEAR SUPPLIERS GROUP COLLECTIVE PRIORITY
RUEHBJ/AMEMBASSY BEIJING PRIORITY 0260
RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 0410
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 0192
RUEHGV/USMISSION GENEVA PRIORITY 1300
RUEHUNV/USMISSION UNVIE VIENNA PRIORITY 0302
RUEHNO/USMISSION USNATO PRIORITY 0458
RUCNDT/USMISSION USUN NEW YORK PRIORITY 0077

C O N F I D E N T I A L VIENNA 000722

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EUR/ERA, EUR/PGI, AND EUR/AGS

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TAGS: [PREL](#) [ENRG](#) [KSCA](#) [PARM](#) [KNNP](#) [ETTC](#) [IN](#) [EUN](#) [AU](#)
SUBJECT: U.S.-INDIA CIVIL NUCLEAR ENERGY: AUSTRIAN EU
PRESIDENCY RESPONSE

REF: A) STATE 34761 B) 05 VIENNA 2663

Classified By: ECONOMIC-POLITICAL COUNSELOR GREGORY E. PHILLIPS
REASONS; 1.4 (B) AND (D)

11. (C) INTRODUCTION AND SUMMARY: Embassy conveyed ref (a) points to MFA A/S-equivalent for Nonproliferation Dorothea Auer on March 3. Pol Unit Chief followed up on March 8 with Auer and her deputy, DAS for IAEA and nuclear issues Alexander Kmentt. Auer and Kmentt made it clear that Austria is one of the EU member states most skeptical of nuclear energy in general, and also had questions and reservations about the U.S.-India agreement. They wondered when the full text of the agreement might be made available to the Nuclear Suppliers Group (NSG). They were particularly concerned about the sequencing of moves under the agreement. Finally, they worried about the impact on the Nonproliferation Treaty (NPT) and other international nonproliferation regimes. END SUMMARY AND INTRODUCTION.

STRUGGLING FOR AN EU COMMON POSITION

12. (C) Auer and Kmentt said the EU would try to arrive at a common position on the initiative. They believed this was unlikely, however. They said that although the two EU countries that are NPT Nuclear Weapons States (NWS) have endorsed the deal the EU would not necessarily find consensus. It was not an up-or-down situation, they explained. The EU might find points of agreement - a certain amount of common ground - and work out a common position on that limited basis, leaving member states free to diverge on other points. They noted that the EU CODUN and CONOP working groups had not yet had a comprehensive discussion of the U.S.-India agreement.

REQUEST FOR NSG TO SEE FULL TEXT

13. (C) This discussion could not take place, they felt, until more was known about the details. They pressed us to provide the full text of the agreement. Without this, they stated, the NSG would NOT be able to deal meaningfully with the subject. "The NSG bases its decision on facts and figures, not on statements." Kmentt stressed that the U.S. had had a strong voice in shaping the criteria employed by

the NSG; the NSG would now have to apply these criteria to this proposal. Kmentt said that El Baradei's views carry great weight. However, he believed that El Baradei had probably based his statement on the benefits to be derived from placing a large amount of India's nuclear materials under safeguards and de facto adherence to international nonproliferation standards. The NSG should also take into account the overall impact on international nonproliferation efforts.

CREDIBILITY OF INTERNATIONAL REGIMES ON THE LINE

¶4. (C) Kmentt and Auer were concerned about the overall impact on credibility of international nonproliferation regimes. The NPT straitjacket had eventually persuaded Brazil and South Africa to renounce their military nuclear ambitions and accede to the NPT as non-nuclear weapons states (NNWS). However, these incentives were beginning to unravel. If India were able to develop and test nuclear weapons, and then achieve a carve-out for itself from the NPT, what reason would other states have to join the NPT - or to remain within it? Our interlocutors also raised concerns about a possible South Asia arms race. Even though the U.S. would only help the civilian nuclear power industry, this might free other Indian assets that could then be turned toward military objectives, they said. How would Pakistan and China react?

SEQUENCING OF ACTIONS CRITICAL

¶5. (C) The principal concern raised by the Austrian MFA was

the sequencing of moves under the agreement. The U.S. seemed to want the NSG to approve the deal quickly. Wouldn't it be more appropriate, they said, to ask India to deliver on at least part of its commitments first? Some of the actions required would not be due until 2014, they noted - although they added that placing nuclear facilities under IAEA safeguards was a notoriously time-consuming process. Still, would the Indian Parliament ratify the agreement first, or the U.S. Congress? For the NSG to make the first move, they thought, would be a bit like "writing a blank check."

¶6. (C) Kmentt and Auer asked whether the U.S. planned to develop a complete proposal for the NSG May plenary, or would simply test the waters? They agreed that the March 22-23 NSG Consultative Group meeting in Vienna, and the subsequent U.S.-EU CONOP and CODUN Troikas would offer opportunities to further discuss the initiative. They hoped for clarifications on the issues they raised either before or at these meetings.

McCaw